

ATTACHMENT A
INTERNATIONAL REGISTRATION PLAN BONDED WEB USER PROGRAM AGREEMENT

1. **AGREEMENT PURPOSE AND DESCRIPTION**

- A. Nothing in this Agreement alters or eliminates statutory and regulatory requirements as it pertains to your Occupational Licensure.
- B. The purpose of this Agreement is to establish parameters between the Department of Motor Vehicles, hereinafter referred to as DMV, and _____, also known as International Registration Plan Bonded Web User and contractor, hereinafter referred to as Bonded Web User, in establishing a public/private partnership for participation in the International Registration Plan (IRP) Bonded Web User Program, hereinafter referred to as Bonded Web User Program. This Agreement establishes the terms and conditions under which the Bonded Web User shall operate in the program and is predicated on DMV's issuance of a permit to the Bonded Web User to participate in the Bonded Web User Program.
- C. The Bonded Web User issued a permit, or employee authorized by DMV, can process International Registration Plan (IRP) applications for *inter*state registration of commercial vehicles. The Bonded Web User may be a registration agent.
- D. This Agreement authorizes the Bonded Web User to process only those transactions identified in Attachment C. DMV IRP Operations Unit shall be responsible for ensuring the Bonded Web User does not process transactions not identified in the Attachment C. This process shall require the Bonded Web User to:
 - (1) Perform authorized IRP registration services from authorized sites using prescribed procedures in the Bonded Web User Guide;
 - (2) Electronically transmit authorized IRP registration data to DMV's mCarrier database;
 - (3) Track and monitor issuance of all license plates, year and CVRA stickers;
 - (4) Monitor the printing and issuance of IRP registration documents;
 - (5) Comply with Bonded Web User Program advertising restrictions;
 - (6) Provide training to its employees authorized to perform services under the Bonded Web User Program;
 - (7) Submit required reports to the DMV IRP Operations Unit and/or Bonded Web User Program Administrator;
 - (8) Comply with computer hardware and software interface requirements. The term "interface" shall be defined as the electronic exchange of information;
 - (9) Comply with audit requirements;
 - (10) Comply with all security requirements;
 - (11) Comply with all Bonded Web User change notification requirements, which may include, but are not limited to, adding or closing a site, ceasing to do business, changing depositories, adding or deleting employees, and adding a new or changing a current telephone number;
 - (12) Provide updates as to any change in bond status.
- E. The Bonded Web User acts for itself and solely for its own clients and does not act as an agent of the DMV or other service agents.
- F. It is the obligation of the Bonded Web User to retain records of all applications, forms, reports, inspections, audits, and communication with the DMV.
- G. It is the obligation of the Bonded Web User to submit all required application documents to the following address:
Department of Motor Vehicles, Bonded Web User Program, P.O. Box 932345, MS H825, Sacramento, CA 94232-3700.

2. **BONDED WEB USER RESPONSIBILITIES**

A. **Application Requirements**

- (1) A Bonded Web User applicant shall complete all requirements, submit to the Bonded Web User Program Administrator all necessary documentation, and retain a copy at the Bonded Web User site.

- (a) The applicant shall complete, sign, and submit the Bonded Web User Application, MC 202 I, incorporated by reference.
- (b) Each Bonded Web User owner shall be identified on the application form submitted. The term “owner” shall be defined as sole owner, partner (except for limited partner), limited liability company members, or private and public corporation shareholders with 10% or more interested in the corporation.
- (2) An application shall be valid for one year from the date the application is first received by the Department. An applicant who fails to fulfill the requirements identified in this section within one year from the date the application is first received by the Department must reapply.
- (3) An applicant shall submit a copy of the completed and signed Request for Live Scan Service form, DMV 8016, a photocopy of each person’s valid driver license or identification card issued by the State, and a Statement of Personal History form, MC 206 I, for each owner and each employee. The Statement of Personal History form is hereby incorporated by reference. A statement that the Request for Live Scan Service form, DMV 8016, form, shall be for the purpose of determining approval to participate in the Bonded Web User Program.
 - (a) The Request for Live Scan Service form, DMV 8016, shall be submitted to a local law enforcement agency. After the local law enforcement agency completes the form, processes for fingerprints, and signs and identifies itself, the form shall be returned to the Bonded Web User owner or employee, who will submit a copy of the form to the Bonded Web User Program Administrator.
 - (b) Fingerprints shall be required for all Bonded Web User owners and employees who have submitted the Statement of Personal History form, MC 206 I.
- (4) The Bonded Web User applicant shall submit evidence of compliance with this section.
- (5) A Bonded Web User applicant shall complete, sign, and submit the Information Security and Disclosure Statement (Firm) form, EXEC 201X, which is hereby incorporated by reference.
- (6) Each employee of the Bonded Web User applicant shall complete, sign, and submit the Information Security and Disclosure Statement (employee) form, EXEC 200X, which is hereby incorporated by reference.
- (7) A Bonded Web User shall submit a copy of the Occupational License form, OL 39, as evidence of a valid occupational license. The form is hereby incorporated by reference.
- (8) A Bonded Web User applicant shall provide the information required by the Bonded Web Program Information Security Pre-Implementation Checklist form, MC 204 I, which is hereby incorporated by reference.

B. Review of Criminal History Information

- (1) In reaching a decision on approval or disapproval of a Bonded Web User owner or employee to participate in the Bonded Web User Program, the Bonded Web User Program Administrator or a designee may review and consider the criminal history information provided by the California Attorney General pursuant to Section 11105(b)(9) of the Penal Code. This information may be used as part of the Department’s process in reaching a decision as it relates to this Agreement. The Bonded Web User Program Administrator or designee will consider the “Occupational Licensing and Disciplinary Guidelines” incorporated by reference in Section 440.04, Article 6.1, Chapter 1, Division 1, Title 13, of the California Code of Regulations in reaching a decision.
 - (a) Deviation from the Guidelines is appropriate when the Director or designee, in his or her sole discretion, determines that the facts warrant such a deviation, for example, the presence of mitigating factors, how long ago the conduct, action, or offense occurred, evidentiary problems and customer complaints.

C. Cause for Refusal to Enter into An Agreement and Issue a Permit

- (1) The failure of an applicant to establish its honesty, integrity, good character and reputation to the satisfaction of the Department is good cause for the Department to refuse to enter into a Bonded Web User Program Agreement with such applicant.
- (2) The failure of an applicant to establish the honesty, integrity, good character and reputation of any of its owners or employees to the satisfaction of the Department is good cause for the Department to refuse to enter into a Bonded Web User Program Agreement with such applicant.
- (3) The information provided on a Statement of Personal History form, MC 206 I, the message(s) from DOJ in response to a fingerprint check and/or other information obtained by the Department may be the basis for approval or disapproval of a Bonded Web User, Bonded Web User owner(s), or Bonded Web User employee(s) in meeting the standards stated in this Agreement.
- (4) There is good cause for the Department to refuse to enter into a Bonded Web User Program Agreement with a Bonded Web User applicant if the applicant, one of its owners or employees:

- (a) Has been convicted of a felony or a crime, or committed an act or engaged in conduct involving moral turpitude that is substantially related to the function of a Bonded Web User.
- (b) Is or has been the holder of an Occupational License issued by the Department that has been suspended or revoked.
- (c) Is or has been a managerial employee of an Occupational Licensee licensed by the Department that has been suspended or revoked.
- (d) Is or has been a commercial requester or one of its owners that has been suspended or revoked.
- (e) Has failed to comply with their Bonded Web User Program Agreement or failed to complete any of the audit requirements.
- (f) Has used a false name, made any false statement, or concealed any material fact in any Bonded Web User Application or Statement of Personal History.
- (g) Has displayed, caused or permitted a sign, mark or advertisement, or used a "Doing Business As" (DBA) in violation of Section 25 of the Vehicle Code.
- (h) Has permitted or engaged in fraudulent practices or acts, with reference to clients, members of the public or the Department.
- (i) Has committed or was responsible for any other act, occurrence, or event in California or any foreign jurisdiction that provides cause for refusal to issue a permit.
- (j) Was a Departmental employee dismissed by the Department for cause related to honesty, integrity, good character and reputation of the person dismissed by the Department within the last ten (10) years.

D. Advertising Requirements

- (1) Use of the DMV logogram in promotional displays, advertising, or informational materials by any written or electronic means is strictly prohibited. The Bonded Web User shall represent that it acts on behalf of itself or its clients and shall not represent that it acts on behalf of DMV.
- (2) Promotional displays, advertising or informational materials relating to the Bonded Web User Program, including information provided by way of electronic means such as the Internet, is permissible subject to the approval of the DMV; however, pop-ups are not acceptable. The DMV shall have sole discretion as to the acceptability of the material. Written material shall be submitted to the DMV Bonded Web User Program Administrator for approval prior to issuance. Material must be factual statements and cannot contain statements that include or are:
 - (a) Derogatory in nature;
 - (b) Personal;
 - (c) Offensive;
 - (d) Controversial issues;
 - (e) Ballot measures issues;
 - (f) Political issues;
 - (g) Religious issues;
 - (h) Alcoholic beverage material;
 - (i) Tobacco material.

E. Training Requirements

- (1) The Bonded Web User shall attend DMV's training at the Bonded Web User's expense.
- (2) The Bonded Web User shall train their employees authorized to perform all services and tasks associated with the Bonded Web User Program. Training shall include:
 - (a) Information Security and proper storage of indicia;
 - (b) Transaction process procedures;
 - (c) Inventory procedures identified in this Agreement.

- (3) The Bonded Web User shall use the written procedures as described in the Bonded Web User Guide and mCarrier training, including any subsequent revisions developed by DMV. The Bonded Web User shall not develop written procedures in conflict with those provided by DMV.
- (4) The Bonded Web User is responsible for maintaining training records for each employee authorized to access the DMV's IRP vehicle registration and inventory databases. This shall include:
 - (a) Employee's name;
 - (b) Date of training;
 - (c) Name and title of the trainer.
- (5) The Bonded Web User shall track transaction-keying errors and license plate, year, and CVRA sticker assignment errors reported to DMV IRP Operations Unit. The information shall be tracked by the error "type" and identity of the employee who made the error and the work date. The information shall be tracked daily and reconciled monthly.
- (6) Critical errors shall be reported immediately to IRP Bonded Web User Program Administrator in writing by fax or email. Critical errors are defined as below:
 - (a) Below is a list of some conditions which may be considered an error, but are not limited to:
 - i. Any violation of the terms of this Agreement,
 - ii. Missing documents,
 - iii. Incomplete or invalid information,
 - iv. Insufficient payment of fees,
 - v. Inventory issued out of sequence,
 - vi. Void/damaged inventory not forwarded with daily clearances,
 - vii. Mailing packages late or to the incorrect address,
 - viii. Incomplete, inaccurate, missing or late electronic reports.
 - (b) Critical errors shall be reported to the Bonded Web User Program Administrator in writing by fax or e-mail immediately, and are defined as, but are not limited to:
 - i. Wrong registered owner and omitted registered owner name,
 - ii. Inventory issued in error,
 - iii. Issuing a California IRP Temporary Registration Authorization without prior approval,
 - iv. Unauthorized and/or untrained employee(s) processing IRP transactions and/or issuing inventory,
 - v. Excessive missing inventory,
 - vi. Failure to notify the Department when changing business name, adding or closing a site, adding or deleting employees, changing an e-mail address, and changing or deleting a telephone number within the required time frame,
 - vii. Non-secured inventory storage,
 - viii. Not allowing DMV immediate access, during normal business hours, to a site for inspection,
 - ix. Excessive inventory supply on hand [section 2, subsection F (11)],
 - x. Processing IRP transactions for unauthorized individuals or entities,
 - xi. Failure to comply with any provision as mentioned in this Agreement.

F. Registration Requirements

- (1) The Bonded Web User shall be responsible for requiring its employees to adhere to the following:
 - (a) All appropriate DMV data received is printed on the IRP registration documents by the close of business of the same business day and at the same site the license plates and stickers are issued. The DMV shall cancel any IRP registration documents improperly issued.
 - (b) All required DMV IRP registration documents and supporting paper documentation is sent to DMV Administrative Review Section by the next business day via "trackable" mail (e.g., Federal Express, United Parcel Service) at the Bonded Web User's expense. No more than two (2) clearance packets shall be mailed in the same envelope.
 - (c) All voided or damaged copies of IRP registration documents printed shall be shredded and made not useable for its intended purpose no later than the close of the business day the documents were printed.
 - (d) All registration documents lost in the mail shall be reconstructed within thirty (30) calendar days of notification by the Bonded Web User.
 - (e) Maintain a three (3) percent or less monthly error rate per site(s). The error percentage shall be based on the total number of transactions with errors divided by the total number of completed transactions. DMV Bonded Web User Program Administrator shall monitor the error rate on a monthly basis and provide the Bonded Web User with a corrective action if over three (3) percent.
 - (f) License plate and year sticker number assigned during the transaction processing and printed on the IRP registration documents shall be the same license plate and year sticker number physically affixed to the vehicle and updated to DMV's IRP vehicle registration and inventory databases.

G. Electronic Access Requirements

- (1) The Bonded Web User shall complete the application and adhere to all terms and conditions stipulated in the California Department of Motor Vehicles Electronic Access Requirements, which is incorporated by reference and made a part of this Agreement, executed by the Bonded Web User and the DMV in providing electronic access to the Bonded Web User's account for authority to process IRP registrations and immediate assignment of license plates and year stickers.
 - (a) The processing of vehicle registration and issuing of vehicle registration indicia and documents by a Bonded Web User requires access to the Department's data communication system and the vehicle registration and the Bonded Web User inventory databases through a network approved by the Department.
 - (b) A Bonded Web User's interface access shall be compatible with the Department's interface. Equipment and software to access and interface with the Department's databases shall be the responsibility of the Bonded Web User.
- (2) The Bonded Web User shall complete the application and adhere to all terms and conditions stipulated in the Commercial Requester Account Application form, INF 1106, and accompanying manuals and handbooks, which are incorporated by reference and made a part of this Agreement, executed by the Bonded Web User and the DMV in providing the Bonded Web User access to DMV data.
 - (a) A non-refundable processing fee of fifty dollars (\$50) must accompany the application. Checks shall be made payable to the Department of Motor Vehicles. This fee shall be paid at the time the application is submitted.

H. Electronic Fund Transfer Requirements

- (1) The Bonded Web User shall adhere to all terms and conditions stipulated in the Electronic Fund Transfer Authorization Agreement for Pre-Authorized Payments, contract (EFT), which is incorporated by reference and made a part of this Agreement, executed by the Bonded Web User and the DMV in providing daily electronic withdrawal access to the Bonded Web User's account for registration fees collected for and due to the DMV.
 - (a) The Bonded Web User shall maintain records of all applicable bank charges and nonsufficient funds (NSF) charges applied to any insufficient funds or closed account status.
 - (b) The Bonded Web User shall maintain records of payments for any and all insufficient funds or closed account charges.
- (2) Upon notification of insufficient funds or closed account status for the payment of a transaction or failure to pay the Department may suspend interface access until payment for all fees and charges are received.

I. Transaction Procedures and Inventory Requirements

- (1) The Bonded Web User shall ensure the appropriate staff has been trained and are ready to commence work before inventory is ordered.
- (2) A Bonded Web User shall process only those transactions identified in the Attachment C of this Agreement.
- (3) A Bonded Web User shall process IRP registration transactions according to the Bonded Web User Guide, which is incorporated by reference and made a part of this Agreement, in processing IRP registration transactions.
- (4) Inventory is defined as license plates, year stickers, Commercial Vehicle Registration Act (CVRA) weight decals and CVRA year stickers. These items are at all times the property of the Department. Accountable inventory is defined as apportioned license plates and apportioned year stickers. Controlled inventory is defined as CVRA weight decals/year stickers. The Bonded Web User is not allowed to order inventory directly from the DMV warehouse. Inventory must be ordered through DMV. DMV will ship the inventory to the Bonded Web User by trackable mail (e.g., Federal Express, United Parcel Service) at the Bonded Web User's expense. DMV will determine the most cost effective and efficient delivery method when shipping inventory to the Bonded Web User site(s). All shipping costs for inventory shall be borne by the Bonded Web User.
- (5) No more than three (3) authorized employees shall be designated to order inventory from the DMV. The Bonded Web User shall provide the DMV Bonded Web User Program Administrator a list (including authorized signatures) of employees designated to order inventory. The Bonded Web User shall notify the DMV Bonded Web User Program Administrator by fax or email at MCD_IRPBP_Calendar@dmv.ca.gov within seven (7) calendar days of changes to staff authorized to order inventory.
- (6) The Bonded Web User shall be responsible for all inventories under their control. The inventory shall be placed in secured areas, be accessible to and distributed only by authorized personnel, and remain secured at all times as specified in this Agreement and the DMV's Information Security Pre-Implementation Checklist which is incorporated by reference and made part of this Agreement.
- (7) The Bonded Web User shall have on hand no more than three (3) months supply of inventory at any one time. Usage can be calculated by determining the estimated volumes indicated on the Bonded Web User application and the historical transaction volumes.
- (8) The Bonded Web User shall allow thirty (30) calendar days for an inventory order to be processed.
- (9) The DMV warehouse is closed for one week annually for a physical inventory. No inventory requests will be processed during that time period. DMV shall provide a written notice sixty (60) calendar days prior to inventory closure to the Bonded Web User to advise of the closure dates.
- (10) The Bonded Web User shall track apportioned license plates and apportioned year stickers by ranges used and on hand quantities of CVRA weight decals/year stickers under their control.
- (11) The Bonded Web User shall conduct a quarterly inventory, per site physical inventory of un-issued license plates and stickers every three months. The quarterly physical inventory of inventory on hand shall be conducted in January, April, July, and October. The Bonded Web User shall report the physical inventory using the Quarterly Physical Inventory Reconciliation Report form, which is incorporated by reference and made a part of this Agreement. The report must be submitted to the DMV IRP Operations Unit and Bonded Web User Program Administrator by the 12th day of the following month (e.g., January report due February 12). An individual having direct control over the ordering and disbursement of inventoried items shall not conduct the physical inventory. This requirement is exempt for the Bonded Web Users who are sole owners or who have less than three (3) employees.
- (12) The Bonded Web User shall monitor and be responsible for excessive missing inventory. Excessive missing inventory is defined as damaged, voided, missing, or stolen items that exceeds more than one (1) percent of the inventory issued each month.
- (13) The Bonded Web User shall be responsible for reconciling all discrepancies discovered during the physical inventory (e.g., Bonded Web User report indicates sticker(s) located at the site, DMV shows sticker(s) located at different site). The Bonded Web User shall submit a written report to DMV IRP Operations Unit and the DMV Bonded Web User Program Administrator explaining why the discrepancies occurred and the steps taken to prevent future occurrences. If a pattern develops to indicate a misuse of inventory the Bonded Web User shall immediately notify the DMV IRP Operations Unit and the Bonded Web User Program Administrator.

- (14) The Bonded Web User shall immediately notify the DMV Bonded Web User Program Administrator via fax or e-mail if the Bonded Web User discovers or suspects that inventory has been misused, lost, stolen, or if a pattern develops that indicates the misuse of inventory. The incident report should include the date and details surrounding the incident and the procedural changes or steps taken to prevent future occurrences. If the loss is suspected to be the result of a crime, the Bonded Web User shall file a police report with local law enforcement and shall provide the DMV Bonded Web User Program Administrator a copy of a police report, training records, and floor plan documenting the incident within three (3) calendar days of receipt of the report.
- (15) The Bonded Web User shall immediately notify the DMV Bonded Web User Program Administrator by fax or e-mail when the Bonded Web User properly destroyed any expired and/or damaged inventory. The inventory shall be destroyed on-site. Expired and/or destroyed inventory shall be properly documented and reported to the DMV Bonded Web User Program Administrator. All communication with the DMV Bonded Web User Program Administrator with regards to the destruction of inventory shall be kept on record.

J. Reports

- (1) The Bonded Web User shall be responsible for creating and maintaining the following reports at the intervals described below. Draft report formats must first be submitted to DMV Bonded Web User Program Administrator for review and approval prior to use and must be submitted no later than sixty (60) calendar days after the start of this Agreement. All reports must be current and made available upon request by a DMV representative.
 - (a) Inventory Receiving Report (current at all times)
The ADM 518 Notice of Transfer of Accountable or Controlled Items form may be used.
 - i. The report shall include:
 - Type and Dates inventory received;
 - Serial numbers received;
 - Signature of employee who received inventory.
 - (b) Inventory Shipping Report (current at all times)
The ADM 518 Notice of Transfer of Accountable or Controlled Items form may be used.
 - i. The report shall include:
 - Type and Dates inventory shipped;
 - Serial numbers shipped;
 - Signature of employee who shipped inventory.
 - (c) Training Reports (current at all times and sent to the DMV Bonded Web User Program Administrator upon incident)
 - i. Report the information on the training provided to the authorized employees. Report to include:
 - Employee name and title;
 - User ID;
 - Date of training;
 - Training provided;
 - Name and title of trainer.
 - (d) Daily Transaction Summary Report (current at all times and sent daily to the IRP Operations Unit and e-mailed to MCD_IRPBP_Calendar@dmv.ca.gov)
 - i. Report to include:
 - Site ID;
 - Report date;
 - Transactions processed;
 - Confirmation of daily processed electronic funds transfer.
 - (e) Error Report (current at all times and sent to the DMV Bonded Web User Program Administrator upon incident)
 - i. Report processing errors made by a specific site and by employee. Report to include:
 - Date of error;

Brief description or error type;
If applicable, any follow-up training information.

- (f) Authorized User List (current at all times and sent to the DMV Bonded Web User Program Administrator upon incident)

This list is to be all inclusive. No employee shall be removed from the list even if no longer able to process applications electronically.

- i. This report to include:

Transactions authorized to process;
Employee name;
User ID;
Authorized date;
Any change in status or effective date (i.e. activated, deleted, inactive or revoked).

- (g) User Status Report (current at all times and sent to the DMV Bonded Web User Program Administrator upon incident).

- i. This report shall include:

Designated office;
Employee name;
User ID;
Tech ID.
Status;
Justification for any change in status;
Date.

K. Audit Requirements

- (1) The Bonded Web User shall hire an independent auditor to perform an annual compliance audit during the term of this Agreement and shall submit the audit to the DMV Internal Audits Branch. All expenses are the responsibility of the Bonded Web User.

The independent auditor shall be a licensed Certified Public Accountant and shall be in good standing in the state where the site is located. The independent auditor should not have any interest, whether it be financial or non-financial, or be involved in any manner with the Bonded Web User's business. The independent auditor shall conduct the audit in accordance with generally accepted government auditing standards and the DMV IRP Bonded Web User Program Independent Audit Plan. A copy of the current plan must be obtained from DMV. The Certified Public Accountant may obtain a copy of the IRP Bonded Web User Independent Audit Program from DMV.

- (2) The independent auditor shall be required to sign a Representative Non-Disclosure Statement form, which is incorporated by reference and made a part of this Agreement, agreeing to protect all DMV records and information by treating them as confidential information, including but not limited to residence/ mailing addresses and DMV's business practices obtained in the course of an audit. The form shall be retained as a Bonded Web User's business record and available for audit purposes.
- (a) An audit is required for each twelve (12) month period of this Agreement. Each audit shall be completed within ninety (90) calendar days of the end of each twelve (12) month audit period. The independent auditor shall provide a copy of the audit report including any findings and recommendations within sixty (60) calendar days of completion of the audit to the DMV Internal Audits Branch with a copy to the Bonded Web User Program Administrator.
- (b) Upon notification that the DMV Internal Audits Branch has accepted the audit report, the Bonded Web User shall have thirty (30) calendar days to submit any suggested responses and corrective action plan to the independent auditor and the DMV Internal Audits Branch. The Bonded Web User shall have thirty (30) calendar days from receipt of the notification to correct the audit findings. DMV reserves the right to terminate this Agreement and/or reject applications to continue participation in the Bonded Web User Program depending upon the audit results. DMV shall have sole discretion as to the criticality of the audit findings in determining if this Agreement is to be terminated or in acceptance of application renewal.

- (c) The DMV may conduct audits of the Bonded Web User's activities under this Agreement, including but not limited to procedures, operations and finances relating to the Bonded Web User activity, even if the Bonded Web User Agreement is terminated, cancelled or expired. The Bonded Web User shall make available to the DMV at the Bonded Web User's principal place of business during normal hours, all of its records and reports, whether hard copy or stored in electronic media relating to the conduct of activity under this Agreement. A Bonded Web User shall make available its owners, managers, business representatives and employees to the DMV in connection with the conduct of an audit. A Bonded Web User shall pay reasonable expenses for travel, meals and lodging for the DMV's representative(s) incurred during the audit within thirty (30) calendar days of receipt of an invoice from the DMV.
 - (d) The Bonded Web User shall notify the DMV Bonded Web User Program Administrator in writing when an independent auditor is released from service. This written notification shall be sent on the Bonded Web User's letterhead by fax or email, US Mail or private courier within seven (7) calendar days of this change.
 - (e) A Bonded Web User's principal place of business shall be open during normal business hours for an electronic or manual audit of the records required to be retained immediately upon a request from the DMV.
 - (f) The Department may conduct a standard random audit to verify compliance without reimbursement from a Bonded Web User.
- (3) Audit Objectives
- (a) The objectives of the audit are to determine:
 - i. Adherence to the provisions of the IRP Bonded Web User Agreement with the DMV;
 - ii. Adequate security and control exists to safeguard DMV's assets;
 - iii. Adequate processing control procedures are in place for the accuracy of data and fees transmitted to the DMV computer system;
 - iv. Adherence to the provisions of the Occupational Licensing program.
- (4) The audit shall remain open until the Bonded Web User receives notification that the DMV Internal Audits Branch has accepted the audit report and its findings.

L. Investigation and Review

- (1) The Department may exercise any and all authority and powers available to it under this Agreement to administer and enforce this Program, including, but not limited to, examining, auditing and investigating the Bonded Web Users' books and records. Any civil, criminal, and administrative authority and remedies available to the Department may be sought and employed in any combination deemed advisable by the Department to enforce the provisions of this Agreement. Nothing in this Agreement shall be construed to impair or impede the Department's authority.
- (2) The DMV may examine, audit, or investigate a Bonded Web User's activities under this Agreement between a Bonded Web User and the DMV even if the Bonded Web User Program Agreement is terminated, cancelled or expires. The examination, audit or investigation may relate to any matter, including, but not limited to, procedures, operations and finances relating to the Bonded Web User activity. The Bonded Web User shall make available to the DMV all of its records and reports relating to the conduct of the activity, whether hard copy, or stored in electronic media. Failure by a Bonded Web User to comply with the provisions of this Agreement shall be cause for immediate termination of a Bonded Web User's authorization to process transactions as a Bonded Web User.
- (3) Whenever the Department examines, audits or investigates any Bonded Web User, that Bonded Web User shall pay, within thirty (30) calendar days after receipt of a statement from the Department, the reasonable costs incurred by the Department for the performance of the examination, audit or investigation, including, but not limited to:
 - (a) The reasonable amount of the salary and/or other compensation paid to the persons making the examination, audit or investigation.
 - (b) The reasonable expenses for travel, meals and lodging of the persons making the examination, audit or investigation.
 - (c) The reasonable amount of any other expenses, including overhead.

M. Procedures for Agreement Suspension

- (1) The Department shall provide written notification of suspension thirty (30) calendar days prior to the effective date.
- (2) If this Agreement is suspended or cancelled, the Bonded Web User shall immediately stop accessing the DMV's IRP vehicle registration and inventory databases and stop issuing license plates, and stickers and discontinue providing IRP registration services.
 - (a) Suspension
 - i. The following is a listing of some but not all of the conditions under which the Bonded Web User may be suspended from the Bonded Web User Program:
 - (A) Submission of a fraudulent IRP registration application and/or supporting documents (e.g., False report of mileage information or insurance);
 - (B) Insufficient EFT funds or Closed accounts for the payment of DMV transaction fees;
 - (C) Failure to notify the Bonded Web User Program Administrator of a name change;
 - (D) Lapse or cancellation of financial security bond;
 - (E) Occupational License suspension, revocation, or cancellation;
 - (F) Adverse Audit findings;
 - (G) Excessive Error rates;
 - (H) Violation of Advertising Requirements;
 - (I) The reporting of excessive missing inventory three (3) times in as many months.
 - ii. The Bonded Web User shall remain in a suspended mode of operation until otherwise notified in writing by the DMV IRP Bonded Web User Program Administrator.

N. Procedures for Agreement Termination

- (1) The Department may terminate a Bonded Web User Program Agreement and permit at any time without notice for any cause listed in the section 2 C. "Cause for Refusal to Enter into An Agreement and Issue a Permit of this Agreement" or in section 2 N (4).
- (2) The Department may terminate a Bonded Web User Program Agreement and permit without cause upon a thirty (30) calendar day written notification to a Bonded Web User.
- (3) If this Agreement is terminated, the Bonded Web User shall immediately stop accessing the DMV's IRP vehicle registration and inventory databases and stop issuing license plates, stickers, and discontinue providing IRP registration services.
- (4) The following list of some conditions under which the Bonded Web User may be terminated from the Bonded Web User Program, but shall not be limited to:
 - (a) Any dishonored check,
 - (b) Failure to submit fee payment, IRP vehicle registration applications, and accompanying documents as required by this Agreement,
 - (c) Lapse or cancellation of financial security documents,
 - (d) Adverse audit findings,
 - (e) Excessive errors above the acceptable monthly percentage rate of three percent (3%),
 - (f) The reporting of excessive missing inventory four (4) or more times.
- (5) The DMV reserves the right to conduct an inventory reconciliation of the remaining license plates, and stickers.
- (6) The Bonded Web User shall allow DMV immediate access during normal business hours to the site to physically remove any unassigned DMV license plates and stickers. If requested in writing and approved by the DMV Bonded Web User Program Administrator the Bonded Web User shall return by way of a trackable method any unassigned DMV license plates and stickers within seven (7) calendar days to IRP Operations Unit at the sole expense of the Bonded Web User.

- (7) The Bonded Web User shall record the unassigned inventory on a Quarterly Physical Inventory Reconciliation Report form, which is incorporated by reference and made a part of this Agreement, and return it along with the inventory by way of trackable US Mail, or private carrier to the IRP Operations Unit. Costs are to be borne by the Bonded Web User.
- (8) All records, including electronic records, created in the performance of this Agreement shall be surrendered to the IRP Operations Unit no later than the seventh (7th) calendar day following the termination of the Bonded Web User site.
- (9) The Bonded Web User shall forward all IRP registration documents and supporting paper documents by trackable mail daily to the IRP Operations Unit.
- (10) The Bonded Web User's records and practices related to the IRP vehicle registration transactions shall be subject to audit by DMV or its representative for a period of four (4) years following the termination of this Agreement. As permitted by state and federal law, DMV shall safeguard the Bonded Web User's records and practices as being proprietary to the Bonded Web User.
- (11) If the Bonded Web User's Agreement is terminated for cause, such as, but not limited to, failure to adhere to the IRP Plan, failure to comply with the Bonded Web User Agreement, or an excessive error rate, the Bonded Web User may not reapply for one (1) year from the date of termination.

O. Procedures for Voluntarily Closing a Site

- (1) A Bonded Web User shall cancel a Bonded Web User Program Agreement and permit by notifying the Bonded Web User Program Administrator in a signed and written notification on Bonded Web User letterhead and sent by facsimile, US mail, or private courier no less than thirty (30) calendar days prior to the cancellation.
- (2) If this Agreement is cancelled, the Bonded Web User shall immediately stop accessing the DMV's IRP vehicle registration and inventory databases and stop issuing license plates and stickers and discontinue providing IRP registration services.
- (3) The Bonded Web User shall comply with the following procedures to close a site location within thirty (30) calendar days of cancellation or expiration of a Bonded Web User contract:
 - (a) The Bonded Web User shall collect all unassigned accountable and controlled inventory.
 - (b) The Bonded Web User shall complete a Notice of Transfer of Accountable Items, form ADM 518, by recording all of the unassigned accountable inventory on this form and signing the form.
 - (c) The Bonded Web User shall return the ADM 518 form and all inventory by overnight US Mail or private carrier to: Department of Motor Vehicles, Bonded Web User Program Administrator 2415 First Avenue, MS H825, Sacramento, CA 95818.
 - (d) The Bonded Web User shall return all transactions and supporting documentation by overnight US Mail or private carrier to: Department of Motor Vehicles Manager, Bonded Web User Administrative Review Unit 2415 First Avenue, MS H258, Sacramento, CA 95818.
 - (e) The Bonded Web User shall return the permit by overnight US Mail or private carrier to: Department of Motor Vehicles, Bonded Web User Program Administrator 2415 First Avenue, MS H825, Sacramento, CA 95818.
- (4) The DMV reserves the right to conduct an inventory reconciliation of the remaining license plates and stickers.
- (5) The Bonded Web User shall allow DMV immediate access, during normal business hours, to the site to physically remove any unassigned DMV license plates and stickers. If requested in writing and approved by the DMV Bonded Web User Program Administrator the Bonded Web User shall return by way of a trackable method any unassigned DMV license plates and stickers within seven (7) calendar days of closing the site to DMV IRP Operations Unit at the sole expense of the Bonded Web User.
- (6) The Bonded Web User shall record the unassigned inventory on a Quarterly Physical Inventory Reconciliation Report form and return it along with the inventory by overnight US Mail, or private carrier to DMV IRP Operations Unit. Regardless of which option the Bonded Web User is permitted, all costs are to be borne by the Bonded Web User.
- (7) All records, including electronic records, created in the performance of this Agreement shall be surrendered to DMV IRP Operations Unit no later than the thirty (30) calendar days following the closure of the Bonded Web User site.

- (8) The Bonded Web User shall forward all IRP registration documents and supporting paper documents by trackable mail within seven (7) calendar days of closing the site to DMV IRP Operations Unit.
- (9) The Bonded Web User's records and practices related to the IRP vehicle registration transactions shall be subject to audit by DMV or its representative for a period of four (4) years following the termination of this Agreement. As permitted by state and federal law, DMV shall safeguard the Bonded Web User's records and practices as being proprietary to the Bonded Web User.
- (10) The Bonded Web User shall provide contact information; including address and telephone number, in the event the Department must contact the Bonded Web User, for a period of four (4) years following the closing of the site.

P. Security Requirements

- (1) In the event of a security breach, the Bonded Web User must provide, at its own expense, notification to any person or agency to whom a record containing personal information has been disclosed as required under Civil Code Section 1798.29. If a security breach occurs, the Bonded Web User shall also provide credit monitoring services to affected individuals or entities for a period of one (1) year from the date of the breach.
- (2) Information received by or in the possession of the Bonded Web User or its employees obtained by any medium or method in the performance of this Agreement shall be restricted solely to its intended purpose described in this Agreement.
- (3) The Bonded Web User shall maintain the privacy, security, and integrity of DMV's computer (web base) system, records, and proprietary assets. DMV's computer system shall include all systems, networks, applications, programs, databases, and interfaces maintained by DMV and utilized for the Bonded Web User Program.
- (4) DMV proprietary assets are defined as inventory, all records, files, computer programs, data used to operate, including mailing lists, access control tables, printouts, lists, manuals, and publications, including but not limited to "Copyrighted or Trademarked" materials on which DMV controls usage by others for specified purposes.
- (5) The Bonded Web User shall maintain a current record of all workstations used to access DMV's IRP vehicle registration and inventory databases and shall also maintain all revised/obsolete records of the same. The record shall include all of the following:
 - (a) Effective dates workstations were activated and/or deactivated;
 - (b) Physical location and address of each workstation;
 - (c) Workstation identification number;
 - (d) Names of each individual authorized to use each workstation;
 - (e) Names of any deleted or inactive users for each workstation.
- (6) The Bonded Web User shall be responsible for the establishment and use of information security awareness and education programs and measures to ensure that their employees are trained annually and aware of their information security responsibilities and are educated in the information security related techniques and procedures implemented for compliance with this Agreement. The Bonded Web User shall not create their own information security awareness and education programs and measures in conflict with DMV's.
- (7) The Bonded Web User shall immediately notify the DMV Bonded Web User Program Administrator by fax or e-mail after discovering that an employee was suspected of, or had committed an act or acts of inadvertent or deliberate unauthorized disclosure or misuse of DMV's computer (web base) system, records, proprietary assets, accountable or controlled items. The report shall include all of the following, but is not limited to:
 - (a) Date, time, and location of attempted access;
 - (b) Workstation ID;
 - (c) User Name and ID;
 - (d) Reason revoked (if applicable).

- (8) The failure of an applicant or a Bonded Web User to comply with the information security requirements identified in this Agreement shall be good cause for the Department to cancel, terminate or refuse to enter into a Bonded Web User Program Agreement with such Bonded Web User applicant.

Q. Use and Retention of Information

- (1) A Bonded Web User shall not use any information received from a customer or the Department for any purpose other than the purposes authorized by this Agreement.
- (2) All information shall be treated as confidential or restricted information and shall retain the protections provided by Vehicle Code sections 1808.21, 1808.45, 1808.46, and 1808.47.

R. Physical Security

- (1) The Bonded Web User shall implement the physical security measures and methods stated in this Agreement to prevent and discourage inadvertent or deliberate alteration, disclosure, destruction, loss, misuse, or theft of the DMV records and proprietary assets under their control.
- (2) The Bonded Web User shall prevent access to DMV records (retained in any portable medium or method), and proprietary assets by the general public and other un-authorized individuals.
- (3) The Bonded Web User shall prevent the unauthorized viewing of DMV proprietary assets displayed by any medium or method.
- (4) The Bonded Web User shall provide a secure business site or facility. Business site or facility entries shall be equipped with doors or closures that are of solid construction and are equipped with positive locking devices such as dead bolt type locks. The Bonded Web User shall secure all external windows, skylights, and vents to the business site or facility in such a manner as to prevent entry and preclude viewing into any areas of the business site or facility where DMV proprietary assets are stored. The Bonded Web User shall also have a functioning camera and a functioning alarm for site surveillance. All surveillance equipment must be maintained and periodically checked to ensure continual operation. Videos capturing activity must be viewed and maintained to ensure operability. In addition, videos of site surveillance must be stored and rotated with a recommended time frame of six (6) months.
- (5) The Bonded Web User shall not leave DMV proprietary assets retained in any portable medium or method under their control unattended when not secured in a device or location specified by this Agreement.
- (6) The Bonded Web User shall secure DMV proprietary assets retained in any portable medium or method, under their control in a safe or cabinet of metal construction that is built into or is permanently attached to the business site or facility, unless the safe or cabinet is of sufficient size (at least four (4) feet in height or width) or weight (at least one hundred fifty (150) pounds) to substantially preclude it from being readily removed from the business site or facility during non-business hours. The safe or cabinet shall be equipped with a positive locking device(s) and the Bonded Web User shall restrict and control knowledge of and use of the method for unlocking the device to individuals that have completed and signed an Information Security and Disclosure Statement, Public and Private Partnerships Employee form submitted during the application process for participation in the Bonded Web User Program, which is incorporated by reference and made a part of this Agreement.
- (7) The Bonded Web User shall secure DMV proprietary assets retained in any portable medium or method under their control during business hours in a device that is not readily portable (e.g., in a large metal cabinet, desk, or workstation drawer) and is equipped with a positive locking device. The Bonded Web User shall implement physical barriers that prevent the general public and other unauthorized individuals from having access to the secure storage device and restrict and control knowledge of and use of the method for unlocking the device to individuals that have completed and signed an Information Security and Disclosure Statement, Public and Private Partnerships Employee form.
- (8) The Bonded Web User shall not transfer, retain, or store any DMV or records on any portable electronic medium such as, diskettes, CD-ROMs, removable memory chips, or magnetic tapes.

The Bonded Web User shall be responsible for the disposal and destruction of specified proprietary assets and records as authorized by the DMV in this Agreement and in the manner authorized by the DMV for records created or maintained in the performance of this Agreement, and retained in either hardcopy format or electronic memory medium. Hard copy records shall be shredded or made not useable. Electronic records shall be electronically "deleted" from the medium. All records subject to disposal or destruction by the Bonded Web User shall be completely rendered unreadable, unrecoverable and unusable.

S. Computer System Security

- (1) The Bonded Web User shall place network and system devices used in the Bonded Web User Program and DMV interface in secure areas. The Bonded Web User shall control access to these devices and shall limit access to, and viewing of (if appropriate), these devices to individuals that have completed and signed an Information Security and Disclosure Statement, Public and Private Partnerships Employee form submitted during the application process for participation in the Bonded Web User Program.
- (2) Workstations and printers utilized to access the DMV's IRP vehicle registration and inventory databases and display or print DMV records shall be located within the Bonded Web User's site or facility in such a manner that displayed or printed records are not visible or accessible to unauthorized employees or the general public.
- (3) Workstations and printers utilized to access the DMV's IRP vehicle registration and inventory databases and display or print DMV records, shall be secured to the business site or facility by means of a security cabling system, or physically affixing the workstation or printer to an enclosure or fixture/furniture located within the business site or facility.
- (4) Workstations displaying DMV records or the DMV's IRP vehicle registration and inventory databases information shall display an electronic "admonishment warning banner" to the user at the time of access initiation. The banner shall contain the following language: "WARNING: Unauthorized access or misuse of data may result in disciplinary action, civil penalties and/or criminal prosecution."
- (5) Workstations shall not be left unattended while accessing the DMV's IRP vehicle registration and inventory databases. Workstations shall be configured to either programmatically end access or invoke a display obfuscation screen after a maximum of ten (10) continuous minutes of inactivity. Once access has ended or the display screen has been obfuscated, the user shall be required to re-authenticate to the authentication credentialing system prior to re-establishing access or un-obscuring the display.

T. Computer System Access

- (1) Bonded Web User shall access DMV's databases only between the hours of 6:00 a.m. and 6:00 p.m. Pacific Standard Time Monday through Friday excluding California State approved holidays and furloughs. All other hours are prohibited. Updates can be completed periodically during normal working hours. There will be no technical support on weekends, furloughs, and state holidays.
- (2) Notification regarding when DMV's system is down for maintenance or update will be sent via electronic mail.
- (3) Access to the DMV's IRP vehicle registration and inventory databases shall be controlled by the use of an authentication credentialing system that shall identify, authenticate, and authorize access for each individual user.
- (4) The Bonded Web User shall notify the Bonded Web User Program Administrator to change, disable, or revoke an individual's access authorization within one (1) day if any of the following occurs:
 - (a) The individual no longer requires access to the DMV's IRP vehicle registration and inventory databases;
 - (b) The individual is no longer employed by the Bonded Web User;
 - (c) The individual is suspected of, or has committed an act or acts of unauthorized disclosure or misuse of DMV records;
 - (d) The individual is found to be in noncompliance with DMV's information security requirements as defined in this Agreement.
- (5) Each individual user shall be assigned a "unique" user identifier by the authentication credentialing system administrator.
- (6) The individual user utilizing the authentication credentialing system shall select the password which must consist of eight (8) characters. The system administrator can assign a default password to an authorized individual who has been positively identified to the administrator in order to establish a new access account and user selected password, or when a user selected password has been forgotten and the user must establish a new user selected password. The default password shall not allow the individual to access the DMV's vehicle registration and inventory databases and shall not be capable of subsequent access, but must require the individual to establish a new selected password for their access.

- (7) DMV recommends that the individual user does not select a password that is identifiable with the individual by utilizing such elements as their name, initials, social security number or a family member's name or initials in the password's construction.
- (8) Passwords shall not be written down or displayed in any plain text readable format.
- (9) The individual user shall manually enter a password. Passwords shall not be entered or acknowledged by any automated programmable electronic method.
- (10) The authentication credentialing system shall enforce passwords to consist of eight (8) characters in length.
- (11) The authentication credentialing system shall enforce passwords to consist of a combination of alphabetic and numeric characters in composition.
- (12) The authentication credentialing system shall enforce passwords to be changed by the individual user, at a minimum, once every sixty (60) calendar days.
- (13) The authentication credentialing system shall maintain an electronic file containing the user identifier, date, and time for each occurrence of a password change.
- (14) The authentication credentialing system shall restrict the reuse of a password by the same individual for at least twelve (12) iterations;
- (15) The Bonded Web User shall electronically store the vehicle registration record updates only for the purpose as authorized in this Agreement.
- (16) The Bonded Web User shall maintain a current list of individual's authorized with direct or incidental access to the DMV IRP vehicle registration database. The list shall include the date they were activated. The Bonded Web User shall also maintain a list of employees that were deleted, including their deletion date.
- (17) Logon access to DMV's IRP registration system shall require the DMV assigned unique office identification number as follows:

Bonded Web User

Office ID

- (18) The Bonded Web User shall be liable to the DMV for any damage to DMV's information technology resources, including hardware and software, caused by the Bonded Web User or its employees.

U. Interface Access Requirements

- (1) The Bonded Web User shall contact DMV Motor Carrier Automation Development (MCAD) for resolution of any problems identified within the communication lines between the Bonded Web User, and DMV.
- (2) The Bonded Web User is responsible for obtaining and maintaining the Secure File Protocol (SFP) necessary to communicate among the Bonded Web User, and the DMV throughout the term of this Agreement.

V. Bonded Web User Program Permit Authority

- (1) No person shall act as a Bonded Web User who is not a party to a currently valid Bonded Web User Program Agreement.
- (2) A Bonded Web User Program permit shall be issued to each Bonded Web User for each site location that the Department has determined meets the qualifications to enter into a Bonded Web User Program Agreement. Upon the execution of the Bonded Web User Program Agreement, the Department will issue a Bonded Web User Program permit. The Bonded Web User Program permit shall identify the business as an authorized Bonded Web User.
- (3) The Authorized Bonded Web User Permit form, MC 200 I, shall be displayed within view of the Bonded Web User's customers.

W. Bonded Web User Changes

- (1) A Bonded Web User shall notify the BWU Program Administrator within the time frame identified for the change listed in this section. A Bonded Web User shall complete, sign, submit, and retain a copy on file at the Bonded Web User site. The Bonded Web User Application for Changes form, MC 201 I, which is incorporated by reference and made a part of this Agreement, along with any existing applicable fees to the Bonded Web User Program Administrator for changes listed below:

- (a) Closing a site (5 days after the closure of the site);
 - (b) Changing the business, corporate, or Limited Liability Company name (10 calendar days after the effective date of the name change);
 - (c) Adding a site. A nonrefundable processing fee of one hundred and seventy-five dollars (\$175.00) shall be submitted to the DMV Bonded Web User Program Administrator with the Bonded Web User Application for Changes form, MC 201 I, when a Bonded Web User adds a site after entering into this Agreement. Checks shall be made payable to the Department of Motor Vehicles. This fee shall be paid at the time the application is submitted.
 - (d) Changing the address of the principal place of business (45 calendar days prior to the address change);
 - (e) Adding an employee (A Bonded Web User shall not permit an employee to access DMV inventory or data unless the Bonded Web User has complied with the application process and has received written approval from the DMV Bonded Web User Program Administrator for the employee to have access to DMV inventory and data);
 - (f) Deleting an employee (no more than 5 calendar days after deleting an employee) from the Bonded Web User Program and identify reason for deletion;
 - (g) Terminating an employee for cause related to honesty, integrity, good character and reputation (1 calendar day after the termination date);
 - (h) Terminating an employee for cause unrelated to honesty, integrity, good character and reputation (1 calendar day after the termination date);
 - (i) Changing controlling director(s) and/or officer(s), changing member(s) of a Limited Liability Company, changing management and/or supervising Bonded Web User personnel, or changing partner(s) or stockholder(s) (20 calendar days after the effective date of the change).
 - (j) Change of bond status (20 calendar days after the effective date of the change).
- (2) The completed and signed Bonded Web User Program Application for Changes form, MC 201 I, shall be sent by US Mail or private courier to the Department of Motor Vehicles, Bonded Web User Program Administrator, P.O. Box 932345 MS H825, Sacramento, CA 94232-3700.
- (3) A Bonded Web User shall notify DMV Bonded Web User Program Administrator in a signed and written notification on Bonded Web User letterhead and sent by fax or email, US Mail, or private courier per the following:
- (a) "Doing Business As" (DBA) change (10 calendar days prior to the effective date);
 - (b) Change of mailing address (45 calendar days prior to the address change);
 - (c) Change of operations contact person (5 calendar days after the effective date);
 - (d) Change of registered agent for service of process (5 calendar days after the effective date); and
 - (e) Telephone Number (7 calendar days prior to the effective date).
- (4) A Bonded Web User shall notify the DMV Bonded Web User Program Administrator in a signed and written notification on Bonded Web User letterhead and sent by fax, US Mail, or private courier at least sixty (60) calendar days prior to the effective date of change of the depository or depository account number.
- (5) A change of the account number shall require a new EFT contract pursuant to this Agreement.

X. Renewals

- (1) A Bonded Web User renewal applicant shall complete and submit the following to the Bonded Web User Program Administrator prior to expiration of the Agreement and permit term:
 - (a) A completed and signed Bonded Web User Renewal Application form, MC 203 I, which is hereby incorporated by reference.
 - (b) A completed and signed Information Security and Disclosure Statement (Firm) form, EXEC 201X.
 - (c) A completed and signed Bonded Web User Renewal Transactions Per Year Report, which is hereby incorporated by reference.

1. The Bonded Web User must maintain the minimum required transaction total per calendar year determined by the Department.
 2. For the first year that a Bonded Web User enters the Program with less than twelve (12) months, the total number of transactions may be reviewed on a prorated basis.
 3. Failure to maintain the minimum 250 completed transactions may result with the DMV's refusal to renew the Program Agreement and issue a permit.
- (d) A renewal application shall be received within thirty (30) calendar days of expiration date on the Bonded Web User Permit form, MC 200 I. Applications received after that date shall be required to provide the original application requirements. The Bonded Web User shall not process any transactions after the expiration of the Agreement and permit without the completion and approval of the Bonded Web User renewal or original application.
 - (e) A renewal application and new Bonded Web User Program Agreement shall be required for each subsequent permit. It is the obligation of the Bonded Web user to begin the application process ninety (90) days before the Bonded Web User Program Agreement and permit expire.

3. DMV RESPONSIBILITIES:

A. DMV Bonded Web User Program Administrator Responsibilities:

- (1) Process and Compliance
 - (a) The DMV Bonded Web User Program Administrator shall provide the Bonded Web User with the Bonded Web User Guide containing instructions necessary to complete IRP vehicle registration documents.
- (2) Training
 - (a) The DMV Bonded Web User Program Administrator shall provide orientation training to the Bonded Web User which shall include training in information security, data integrity, abbreviation standards, IRP registration transaction processing procedures, and document handling. Training will be held in Sacramento, CA.

B. DMV Support Responsibilities

- (1) The DMV shall use its best efforts to try and ensure access to its databases during authorized access times. If system downtime occurs, the DMV shall make every attempt to restore access to the databases within a reasonable time period. However, DMV makes no warranties, either expressed or implied, or makes any representations regarding the continuous availability of its systems. The Bonded Web User shall not seek damages, or any other remedy from DMV due to a system downtime.
- (2) Inventory
 - (a) The DMV shall use its best efforts to try and ensure that the DMV Warehouse has a sufficient supply of license plates and stickers necessary for the Bonded Web User to transact IRP registration services.
- (3) In the event of a disaster, the DMV shall work to recover IRP registration transaction processing capabilities in the following priority:
 - (a) Department;
 - (b) Government;
 - (c) Nongovernmental.

Disaster recovery time frames shall be the same for all Bonded Web Users.

- (4) DMV shall provide the Bonded Web User with an electronic billing notice with the total fees due for each work date.
- (5) Audit Requirements
 - (a) DMV's Internal Audits Branch shall be responsible for reviewing the audit findings of the independent auditors, whichever is applicable, and conduct whatever audits the DMV deems reasonably necessary to determine compliance with this Agreement.
 - (b) DMV reserves the right to modify the audit scope during the term of this Agreement.

(6) DMV Contacts and Contractor Contacts

DMV – Bonded Web User Program Administrator

2415 First Avenue MS H825

Sacramento, CA 95818

Phone: Virginia Vu (916) 657-8571; Mary Carmody (916) 657-7231;
Darline Smith 657-5658

Fax: (916) 657-8232

mcd_irpbp_calendar@dmv.ca.gov

DMV – Manager, IRP Operations

2415 First Avenue MS H160

Sacramento, CA 95818

Phone: (916) 657-6201

Fax: (916) 657-6628

DMV – Branch Chief, Motor Carrier Services Branch

2415 First Avenue MS H179

Sacramento, CA 95818

Phone: (916) 657-8926

Fax: (916) 657-8232

DMV – Branch Chief, Program and Policy Development

2415 First Avenue MS H850

Sacramento, CA 95818

Phone: (916) 657-6360

Fax: (916) 657-8232

DMV – Deputy Director, Motor Carrier Division

2415 First Avenue MS H850

Sacramento, CA 95818

Phone: (916) 657-7141

Fax: (916) 657-5710

DMV - Manager, Bonded Web User Administrative Review Unit

2415 First Avenue MS H258

Sacramento, CA 95818

Phone: (916) 657-5798

Fax: (916) 657-9017

DMV – Motor Carrier Automation Development (MCAD) Help Desk

Phone: Kevin Lagge (916) 657-1116

Julio Garcia (916) 657-2874

DMV – Executive Division

Internal Audits Branch

Field Office Review Section

2415 First Avenue MS H121

Sacramento, CA 95818

Phone: (916) 657-6237

Fax: (916) 657-6210

DMV – Legal Office

2415 First Avenue MS C128

Sacramento, CA 95818

Phone: (916) 657-6469

Fax: (916) 657-6243

ATTACHMENT B
SPECIAL TERMS AND CONDITIONS

1. **Agreement Authority** – Should any provision of this Agreement be deemed illegal or unenforceable, all remaining provisions of this Agreement shall remain in effect.
2. **Amendments** – Agreement amendments may be made by Department of Motor Vehicles through a written amendment to the Agreement. Department of Motor Vehicles will notify the Bonded Web User of these Agreement amendments within thirty (30) calendar days.
3. **Computer Non-Operational** – In the event that DMV's computer system is unavailable for any reason, the Bonded Web User accepts the risk and shall not seek damages or any other remedy from DMV.
4. **Confidentiality of Data** – The Bonded Web User shall be responsible for confidentiality of data for all financial, statistical, personal, technical, and any other data and information relating to DMV's operations which are designated confidential by the DMV and made available to the Bonded Web User either through written documentation or personal information received from a customer, in order to carry out this Agreement, or which become available to the Bonded Web User in carrying out this Agreement, shall be protected by the Bonded Web User from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the DMV. All information shall retain the same protection as information released pursuant to Vehicle Codes Section 1808.21, 1808.45, and 1808.47. This Agreement identifies all such confidential data and information as well as DMV's procedural requirements for protection of such data and information from unauthorized use and disclosure. The Bonded Web User shall not be required under the provisions of this paragraph to keep confidential any data or information, which is or becomes publicly available, is already rightfully the Bonded Web User's possession, is independently developed by the Bonded Web User outside the scope of this Agreement, or is rightfully obtained from third parties.
5. **Dispute** – Any dispute of fact arising under the terms of this Agreement that is not resolved within a reasonable period of time shall be brought by either party to the attention of the designated representative of each organization for joint resolution. If Agreement cannot be reached through the application of high-level management attention, either party may assert its rights and remedies under this Agreement.
6. **Financial Security Requirements** – The Bonded Web User, through the application process to participate in the Bonded Web User Program, shall provide and maintain an acceptable method of financial security. Acceptable methods are a bond executed by a California admitted surety insurer on an IRP Bonded Web User Surety Bond form, which is incorporated by reference and made a part of this Agreement. The State of California shall be identified as the beneficiary. The Surety Bond shall be in the amount of \$50,000.00 throughout the term of this Agreement if they are processing IRP applications for *inter*state registration of commercial vehicles. Surety Bond must be from a bonding company.

The Bonded Web User shall provide and maintain a financial surety bond in the amount of \$50,000.00 throughout the term of this Agreement if processing IRP registration renewal transactions. The Bonded Web User shall submit the bond to the DMV Bonded Web User Program Administrator.

The bond shall be assessed for the following:

- A Bonded Web User shall hold the State of California and any political subdivision thereof, or any of its officers, agents, or employees harmless for monetary losses caused by the Bonded Web User's misuse of the information obtained from DMV or obtained from customers for transactions processed by the Bonded Web User and secured by the bond.
 - DMV monies collected by the Bonded Web User are due to DMV.
 - Any loss or damage suffered by the State of California, or any political subdivision thereof, by reason of any act of the Bonded Web User, its agents or employees arising out of or related to the Bonded Web User's duties, functions or obligations as a Bonded Web User, in any amount up to the maximum amount secured under the bond when any of the following conditions occur:
 1. Information obtained from DMV or customers by false or misleading representations while performing the duties, functions and obligations of a Bonded Web User.
 2. Information obtained from DMV and customers and used for any purpose other than specified in the Bonded Web User Agreement.
 3. Any other act resulting in monetary losses suffered by the State of California, any political subdivision of the State of California or any of its officers, agents, or employees while performing the duties, functions, and obligations of a Bonded Web User.
7. **Force Majeure** – The Bonded Web User will not be liable for damages caused solely by any act of war, hostilities, civil war, insurrection or by an unanticipated grave natural disaster or other act of God of an exceptional, inevitable and irresistible character, which could not have been prevented or avoided by the exercise of due care or foresight.

8. **General Compliance** – The Bonded Web User agrees to provide all labor, materials, tools, equipment, transportation and supervision, including but not limited to, computer hardware and software, procedure manuals, training, data communications, office and storage space; pay all taxes, insurance, bonds, license and permit fees and other costs incidental to providing the services required under this Agreement.
9. **Insurance** - Prior to final Agreement approval, the Bonded Web User shall furnish to the DMV, a certificate of insurance stating that there is liability insurance presently in effect for the Bonded Web User of not less than one million dollars (\$1,000,000) per occurrence for bodily injury, property damage liability, and injury or liability arising from misuse or disclosure of personal information, whether intentional or otherwise, combined.

The certificate should not reference a specific Agreement number.

The certificate of insurance will include provisions A., B., and C., in their entirety;

- A. That the insurer will not cancel the insured's coverage without thirty (30) days prior written notice to the State of California.
 - B. That the State, its officers, agents, employees, and servants are included as additional insured, but only insofar as the operations under this Agreement are concerned.
 - C. That the State will not be responsible for any premiums or assessment on the policy. The Bonded Web User agrees that the insurance provided shall be in effect at all times during the term of this Agreement. In the event the insurance coverage expires at any time or times during the term of this Agreement, the Bonded Web User agrees to provide at least thirty (30) days prior to the expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of the term of this Agreement, or for a period of not less than one year. New certificates of insurance are subject to the approval of the California Department of General Services and the Bonded Web User agrees that no work or services shall be performed prior to the giving of such approval. In the event the Bonded Web User fails to keep in effect at all times insurance coverage as herein provided, the DMV may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event. The certificate of insurance shall be submitted to the DMV Bonded Web User Program Administrator.
10. **Jurisdiction and Venue** – Any civil action that arises out of or relates to this Agreement shall be brought in a court of competent jurisdiction of the State of California.
 11. **Liability Damages** – The Bonded Web User shall be liable for any damages by the Bonded Web User or his employees to DMV equipment, material, or other DMV property. Damage resulting from the services provided will be repaired or items will be replaced by the Bonded Web User to the satisfaction of the DMV at no expense to the DMV. The Bonded Web User, at no expense to the DMV, will replace any items lost or stolen while in the Bonded Web User's custody.
 12. **Notification** – The Bonded Web User shall display their Authorized Bonded Web User Permit, which is incorporated by reference and made a part of this Agreement, in an area that the public could reasonably expect to see it.
 13. **Patent, Copyright and Trade Security Indemnity** – The Bonded Web User shall hold the State of California on any of its officers, agents and employees, harmless from liability of any nature of kind, including costs and expenses, for the Bonded Web User misuse of information obtained from the Department or infringement or use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance used in connection with this Agreement.
 14. **Privacy Requirement** – The Bonded Web User and its employees and agents, are subject to and will comply with the Information Practices Act of 1977, et seq. of the Civil Code, Section 1798, the Public Records Act, Section 6250 of the Government Code, Vehicle Code Sections, 1808.21 and 1808.47, and Government Code Section 11015.5 and 11109.9 and any and all related statutes pertaining to Information Security. Additionally the Bonded Web User shall comply with the Department IT Security Guidelines for Use in the Bonded Web User Program, which is incorporated by reference and made a part of this Agreement.
 15. **Record Retentions and Disclosure** – A record is defined as either an electronic and/or hard copy record that is created or maintained by the Bonded Web User. All records received from DMV, all records received from third parties and all records created on behalf of DMV for the purposes of this Agreement, are the records of DMV. The Bonded Web User or its employees shall not use, disseminate, alter, damage, delete, destroy, sell or copy, whether intentionally or negligently, DMV records except as provided for in this Agreement. Such actions may result in civil or criminal prosecution and may be punishable by fine and imprisonment.

The Bonded Web User shall store both electronic and/or hard copy records only for the purposes authorized in this Agreement. All voided or damaged copies of registration documents printed shall be shredded no later than the close of the business day the documents were printed. All other records shall be retained for four (4) years following the expiration, cancellation, or termination of this Agreement and during any ongoing examination, audit, and investigation. A Bonded

Web User shall retain the business records at the Bonded Web User's principal place of business.

Upon the Department's request, all business records shall be immediately made available during normal business hours to the Department's representative. The Bonded Web User shall surrender all records to the DMV Bonded Web User Program Administrator no later than seven (7) calendar days for termination and thirty (30) calendar days expiration or upon voluntary closure of this Agreement of the Bonded Web User's business. The Bonded Web User shall contact the DMV Bonded Web User Program Administrator to arrange for the record transfer to DMV.

In the event the Bonded Web User is served with a subpoena for DMV records or receives a request to copy or view DMV records, the Bonded Web User shall not provide records or access to records, or respond to such requests but shall instead immediately notify the DMV Legal Affairs Division by telephone and in writing of the receipt of the subpoena or request. Under no circumstances, shall the Bonded Web User release or allow access to DMV records without the approval of the DMV Legal Affairs Division.

16. **State Holidays** – The DMV shall provide no support services on State Holidays. The DMV observes the following holidays: New Year's Day, Martin Luther King Jr. Day, President's Day, Cesar Chavez's Birthday, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day and the day after and Christmas Day. Offices will be closed if any holiday falls on or is observed on a weekday, unless otherwise stated.
17. **Termination** – The DMV may immediately terminate this Agreement at anytime without notice for breach of any Agreement terms and conditions.

The DMV or the Bonded Web User shall have the right to terminate this Agreement for convenience upon thirty (30) calendar days prior written notice. Written notice shall be sent to the Bonded Web User in addition to the DMV Bonded Web User Program Administrator.

ATTACHMENT C
AUTHORIZED TRANSACTIONS

The Contractor can only process these transactions as identified on the Bonded Web User application:

IRP New Carrier

IRP New Fleet

IRP Fleet Renewal

IRP Fleet (straight) Renewal

IRP Add Vehicle

IRP Add Vehicle with Replacement Credit

IRP Weight Group Change

IRP Amend Vehicle

IRP Cab Card Correction

IRP Fleet to Fleet

IRP Replace Cab Card

IRP Substitute Plate/Plate Year Sticker

IRP Name Change

IRP Delete Vehicle

IRP Replace Sticker

IRP Replace Weight Decal

IRP Add Jurisdiction

IRP Change Carrier Type/Commodity Class

IRP One Way Vehicle Fleet

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I have read and accept the terms of this Agreement to participate in the International Registration Plan Bonded Web User Program.

THIS DOCUMENT IS EXECUTED AT	CITY	COUNTY	STATE	DATE
SIGNATURE OF AUTHORIZED AGENT:				FIRM NAME
PRINTED NAME OF AUTHORIZED AGENT:		TITLE	TELEPHONE NUMBER	